

## CITY COUNCIL RESOLUTION

**WHEREAS**, the Board of Education of the Memphis City Schools voted on December 20, 2010 to dissolve the Charter the Memphis Special School District ("MCS") and surrender the same to the Tennessee Secretary of State pursuant to the authority granted by Chapter 375 of the 1961 Private Acts (the "Act"); said Resolution, a certified copy of which is attached hereto, has been presented to the Memphis City Council with a request to accept the surrender of the Charter and dissolution of the Memphis Special School District;

**WHEREAS**, the Memphis City Council desires to accept and approve the surrender of the Charter and the dissolution of the Memphis Special School District upon the terms hereinafter set forth;

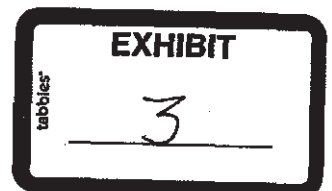
**WHEREAS**, the Memphis City Council believes that its acceptance of the dissolution and surrender of the charter of MCS pursuant to the Act is consistent with and necessary to implement, if not already implemented, the unequivocal intent of the General Assembly as expressed in Tenn. Code Ann. § 49-2-501(a)(1) that all special school districts that are not taxing districts be abolished;

**WHEREAS**, the Act does not set forth any provisions or procedures for the winding up and liquidation of the affairs of MCS;

**WHEREAS**, the Council believes that authority granted it by the Act, includes by necessary implication the authority to do all such acts incidental and necessary to provide for an orderly dissolution of MCS and consolidation of its affairs with the county school system, including development of a plan of dissolution and consolidation;

**WHEREAS**, education statutes, statutes of general application and Tennessee law contemplate that a dissolved special school district and/or public benefit corporation shall be consolidated with the county school district upon dissolution, but that the dissolved entity shall continue in existence after dissolution and shall have and possess only those powers necessary to wind up, liquidate and transfer its affairs and assets to the county school system, especially when such entities have outstanding indebtedness;

**WHEREAS**, Tenn. Code Ann. § 49-2-1101(c) provides that in the absence of a board of education for a school system the governing body of the City may exercise any authorities or rights granted by Title 49, Chapter 2, parts 5 and 10-13 of Tennessee Code Annotated, specifically including contracting with the county for the operation, maintenance or improvement of schools within the City;



**WHEREAS**, a court has ordered that a referendum vote take place on March 8, 2011; it is not the Council's intent to interfere with the court ordered election and in fact encourages every citizen to participate in that court ordered election.

**NOW, THEREFORE BE IT RESOLVED**, by the Memphis City Council that the Resolution of the Board of Education of the Memphis City Schools to surrender its Charter and dissolve the Memphis special school district is hereby accepted and approved, effective immediately, and a transition thereafter to be implemented in accordance with the plan of dissolution hereinafter set forth.

**BE IT FURTHER RESOLVED**, that the Comptroller of the City is directed certify this Resolution and plan of dissolution and the Mayor is directed to cause to be filed with the Tennessee Secretary of State a certified copy of this Resolution and plan of dissolution on February 11, 2011.

**BE IT FURTHER RESOLVED**, that the Council adopts, as a plan of dissolution and consolidation, and hereby directs that the dissolution, winding up and consolidation of the affairs and properties of MCS with the county school system shall commence on or after March 8, 2011 and, to the extent possible, be completed no later than June 30, 2012, unless an orderly transition can be accomplished by an earlier date and that the Mayor is authorized and directed to negotiate with the county school system a joint operation agreement of MCS during the winding up period as the mechanism for implementation of the plan of dissolution and consolidation;

**BE IT FURTHER RESOLVED** that the Council requests the Mayor to seek an agreement with the county board of education for the joint operation of MCS during the winding up period that includes, but is not limited to provisions that regulate personnel, curriculum, transportation, attendance zones, capital funding allocation and expenditures, operation and maintenance funding allocation and expenditures, student discipline, the transfer of facilities and maintenance thereof, consolidation of accounting functions and any other functions necessary or appropriate for the operation of MCS until fully integrated and consolidated with the county school system and that said agreement once finalized shall be subject to Council approval;

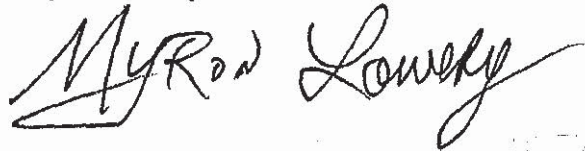
**BE IT FURTHER RESOLVED**, that the Mayor is authorized and directed to immediately propose to the county school system a plan for submission to the state commissioner of education that confirms that the rights and privileges, described in Tenn. Code Ann. § 49-5-203, of teachers employed by MCS are not impaired, interrupted or diminished.

**BE IT FURTHER RESOLVED**, that a copy of this resolution and plan of dissolution be submitted to the Commissioner of the Tennessee Department of Education and Tennessee Attorney General, together with the joint operation agreement when and if completed. The Mayor is authorized to seek the assistance of the Attorney General and the Commissioner of

Education in the preparation, execution and interpretation of the joint operating agreement if he deems such assistance necessary or appropriate.

Adopted February 10, 2011 at 5:22pm

Myron Lowery, Chairman

A handwritten signature in black ink, reading "Myron Lowery". The signature is written in a cursive style with a large, stylized "M" and "L".